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105TH CONGRESS
2D SESSION

H. R. 4339

To amend title XVIII of the Social Security Act to impose a moratorium on the implementation of the per beneficiary limits under the interim payment system for home health agencies, and to modify the standards for calculating the per visit cost limits and the rates for prospective payment systems under the Medicare home health benefit to achieve fair reimbursement payment rates, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 1998

Mr. RAHALL (for himself, Mr. WISE, Mr. COOK, and Mr. WATTS of Oklahoma) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title XVIII of the Social Security Act to impose a moratorium on the implementation of the per beneficiary limits under the interim payment system for home health agencies, and to modify the standards for calculating the per visit cost limits and the rates for prospective payment systems under the Medicare home health benefit to achieve fair reimbursement payment rates, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Medicare Home Health
3 Beneficiary Protection Act of 1998”.

4 **SEC. 2. MODIFICATION OF HOME HEALTH SERVICES COST**
5 **LIMITS.**

6 (a) ESTABLISHMENT OF A MORATORIUM ON IMPLE-
7 MENTATION OF PER BENEFICIARY LIMITS UNDER IN-
8 TERIM PAYMENT SYSTEM.—Section 1861(v)(1)(L) of the
9 Social Security Act (42 U.S.C. 1395x(v)(1)(L)) (as
10 amended by section 4602(c) of the Balanced Budget Act
11 of 1997) is amended by striking clauses (v), (vi), and (vii).

12 (b) PER VISIT COST LIMITS.—

13 (1) BASIS FOR LIMITS.—Section
14 1861(v)(1)(L)(i) of the Social Security Act (42
15 U.S.C. 1395x(v)(1)(L)(i)) (as amended by section
16 4602(a) of the Balanced Budget Act of 1997) is
17 amended—

18 (A) in subclause (III)—

19 (i) by striking “October 1, 1997” and
20 inserting “July 1, 1997”; and

21 (ii) by striking “or” at the end;

22 (B) by amending subclause (IV) to read as
23 follows:

24 “(IV) July 1, 1997, and before July 1, 2000,
25 112 percent of such mean applicable for cost report-

1 ing periods beginning on or after July 1, 1996, and
2 before July 1, 1997, and"; and

3 (C) by adding at the end the following:

4 "(V) July 1, 2000, 112 percent of the mean of
5 the labor-related and nonlabor per visit costs for
6 freestanding home health agencies."

7 (2) ESTABLISHING A 3-YEAR FREEZE ON COST
8 LIMITS.—Section 1861(v)(1)(L)(iii) of such Act (42
9 U.S.C. 1395x(v)(1)(L)(iii)) (as amended by section
10 4602 of the Balanced Budget Act of 1997) is
11 amended by striking "October 1, 1997" and insert-
12 ing "July 1, 2000".

13 **SEC. 3. STRENGTHENING MEDICARE OVERSIGHT OF HOME**
14 **HEALTH SERVICES EXPENDITURES.**

15 (a) IN GENERAL.—Section 4614 of the Balanced
16 Budget Act of 1997 is amended by redesignating sub-
17 section (e) as subsection (d) and inserting after subsection
18 (b) the following:

19 "(c) PROCEDURES TO ELIMINATE INAPPROPRIATE
20 UTILIZATION OF HOME HEALTH SERVICES.—

21 "(1) IN GENERAL.—The Secretary of Health
22 and Human Services shall establish a process for
23 eliminating inappropriate utilization of home health
24 services by reviewing claims for reimbursement of
25 such services furnished under the medicare program

1 under title XVIII of the Social Security Act (42
2 U.S.C. 1395 et seq.) in which the number of home
3 health visits provided to a beneficiary in a year ex-
4 ceeds the regional average of per beneficiary annual
5 visits.

6 “(2) REFERRAL TO INSPECTOR GENERAL.—If
7 the Secretary of Health and Human Services deter-
8 mines appropriate, the Secretary shall—

9 “(A) issue a determination denying pay-
10 ment for a claim described in paragraph (1);
11 and

12 “(B) refer the name of the provider that
13 submitted such claim to the Office of Inspector
14 General of the Department of Health and
15 Human Services for investigation.

16 “(3) APPLICATION.—This subsection shall
17 apply to claims for reimbursement submitted after
18 the process described in paragraph (1) is estab-
19 lished.”.

20 (b) REPORTS TO CONGRESS.—Section 4616(b) of the
21 Balanced Budget Act of 1997 (42 U.S.C 1395y note) is
22 amended by adding at the end the following: “The Sec-
23 retary shall include in each of the reports for fiscal years
24 1999 through 2002 recommendations regarding changes
25 to the method of payment, claims review, and scope of

1 benefits that the Secretary determines is necessary to
 2 achieve actual outlays under such parts for such services
 3 during the following fiscal year that are equal to the esti-
 4 mated outlays under subsection (a) for such year.”.

5 **SEC. 4. MODIFICATION OF CALCULATION OF PAYMENT**
 6 **AMOUNT FOR HOME HEALTH SERVICES**
 7 **UNDER THE PROSPECTIVE PAYMENT SYS-**
 8 **TEM.**

9 (a) ESTABLISHMENT OF EQUITABLE LIMITS FOR
 10 CALCULATING PROSPECTIVE PAYMENT RATES.—

11 (1) IN GENERAL.—Section 1895(b)(3)(A)(i) of
 12 the Social Security Act (42 U.S.C.
 13 1395fff(b)(3)(A)(i)) (as added by section 4603 of
 14 the Balanced Budget Act of 1997) is amended by in-
 15 serting “the greater of \$21,200,000,000 or” after
 16 “equal to”.

17 (2) CONTINGENCY.—Section 4603(e) of the
 18 Balanced Budget Act of 1997 (42 U.S.C. 1395fff
 19 note) is amended—

20 (A) by striking “If” and inserting the fol-
 21 lowing:

22 “(1) IN GENERAL.—If”;

23 (B) in paragraph (1) (as redesignated by
 24 subparagraph (A)), by striking “provide for a

1 reduction by 15 percent” and all that follows
2 and inserting the following: “provide—

3 “(A) for such cost reporting periods that
4 begin before October 1, 2002, for an adjust-
5 ment to the cost limits described in section
6 1861(v)(1)(L) of such Act so that the total
7 amounts payable for such services in a fiscal
8 year is equal to the greater of—

9 “(i) the applicable amount (as defined
10 in paragraph (2); or

11 “(ii) the total amount of payments for
12 such services that would have been made
13 in such fiscal year if such cost limits (as
14 those limits would otherwise be in effect on
15 September 30, 1999) had been reduced by
16 15 percent; and

17 “(B) for such cost reporting periods that
18 begin on or after October 1, 2002, for a reduc-
19 tion by 15 percent in such cost limits (as so in
20 effect).”; and

21 (C) by adding at the end the following:

22 “(2) APPLICABLE AMOUNT DEFINED.—In para-
23 graph (1), the term ‘applicable amount’ means the
24 following amount:

1 “(A) For fiscal year 2000,
2 \$21,200,000,000.

3 “(B) For fiscal year 2001,
4 \$23,300,000,000.

5 “(C) For fiscal year 2002,
6 \$25,200,000,000.”.

7 (b) TEMPORARY RESTORATION OF PERIODIC IN-
8 TERIM PAYMENT FOR HOME HEALTH SERVICES.—See-
9 tion 1815(e)(2) of the Social Security Act (42 U.S.C.
10 1395g(e)(2)) (as amended by section 4603(b) of the Bal-
11 anced Budget Act of 1997) is amended—

12 (1) in subparagraph (C), by striking “and” at
13 the end;

14 (2) by redesignating subparagraph (D) as sub-
15 paragraph (E); and

16 (3) by inserting after subparagraph (C) the fol-
17 lowing:

18 “(D) home health services until the end of the
19 12-month period following the date that the prospec-
20 tive payment system for such services is imple-
21 mented pursuant to section 1895; and”.



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1 **SEC. 5. EFFECTIVE DATE.**

2 The amendments made by this Act shall take effect
3 as if included in the provisions of the Balanced Budget
4 Act of 1997 to which they apply.

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